

FISCAL NOTE

SB 192

February 10, 2001

SUMMARY OF BILL: Increases the privilege tax on cigarettes from 13 cents per pack of twenty cigarettes to 39 cents per pack of twenty cigarettes.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Net Impact - \$130,438,837

Decrease Local Govt. Revenues - Net Impact - \$511,720

Estimate assumes:

- Approximately 582,632,834 packs of cigarettes were sold in FY99-00.
- An increase in state revenues of approximately \$128,761,850 based on increasing the cigarette tax from 13 cents per pack of 20 cigarettes to 39 cents per pack of 20 cigarettes.
- A decrease of in-state sales of approximately 10% or 58,263,283 packs due to the increased tax.
- Cigarettes are sold in packs of twenty.
- An increase in state sales tax revenues of approximately \$12,270,708 resulting from the increased price per pack of cigarettes that generates additional sales tax revenue.
- A decrease of approximately \$10,593,721 in state sales tax revenues due to a decrease on in-state purchases of cigarettes.
- An increase in local government sales tax revenues of approximately \$3,460,379 resulting from the increased price per pack of cigarettes that generates additional sales tax revenue.
- A decrease of approximately \$3,972,099 in local government sales tax revenues due to a decrease of in-state purchases of cigarettes.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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